

### Title: Republic of the Philippines vs. Hon. Henrick F. Gingoyon, et al.

### Facts:

This case traces back to the expropriation proceedings of the Ninoy Aquino International Airport Passenger Terminal 3 (NAIA 3) initiated by the Philippine Government against Philippine International Air Terminals Co., Inc. (PIATCO). Due to failed contractual obligations, the government sought to take over NAIA 3, prompting a complex legal battle concerning rightful ownership, just compensation, and legal procedural requirements for expropriation under Philippine law.

The procedural journey began in the lower courts and swiftly made its way to the Supreme Court due to the pressing national interest and complexity of the issues involved, which included international contractual disputes. Pertinently, PIATCO's contractors, Takenaka Corporation and Asahikosan Corporation, claimed significant liens on the terminal due to unpaid services, adding layers to the determination of rightful compensation and ownership.

After the Supreme Court's initial decision, the Government filed a Motion for Partial Reconsideration, contesting the applicability of Republic Act No. 8974 to the expropriation of NAIA 3 and challenging the court's ruling on the procedural and substantive requisites for the government's takeover. Additionally, motions for reconsideration-in-intervention were filed by both Takenaka Corporation and Asahikosan Corporation, adding to the procedural complexity. All parties raised numerous legal and factual issues aiming to influence the Court's final directive on just compensation and the lawful transfer of NAIA 3 to government control.

### Issues:

1. Whether Republic Act No. 8974 applies to the expropriation of NAIA 3, contrary to the Government's assertion that it does not apply because NAIA 3 is not a right-of-way, site, or location.
2. Whether the Government's reliance on a London court judgment against PIATCO in favor of Takenaka and Asahikosan is binding and has implications on the determination of just compensation.
3. Whether the claims or purported liens of Takenaka and Asahikosan over NAIA 3 have been judicially established, and their implications for the final determination of just compensation.
4. Whether the procedural requirements for the Government to take over NAIA 3 were

satisfied according to the Supreme Court's 2004 resolution in *Agan v. PIATCO* and subsequent rulings.

### ### Court's Decision:

The Supreme Court denied the Government's Motion for Partial Reconsideration with finality, reaffirming that Republic Act No. 8974 applies to the expropriation of NAIA 3 and underlining the necessity for the Government to first compensate PIATCO, the recognized builder of the terminal. The Court emphasized that only judicially established claims can influence the calculation of just compensation and that PIATCO must be justly compensated before the Government can acquire possession. Moreover, it clarified that foreign judgments, such as those from the London court, need independent recognition by Philippine courts before they can affect domestic legal proceedings. The motions for intervention by Takenaka Corporation, Asahikosan Corporation, and Representative Salacnib B. Bateria were denied due to procedural inappropriateness and lack of established legal interest impacting the case's resolution.

### ### Doctrine:

The Supreme Court reiterated several legal principles in this resolution:

1. The applicability of Republic Act No. 8974 to expropriation cases involves the Government taking over infrastructure projects, emphasizing the need for immediate compensation to the builder or owner as a precondition for government possession.
2. A foreign judgment does not automatically have legal effect in the Philippines until it undergoes a process of recognition according to Section 48, Rule 39 of the Rules of Court.
3. Just compensation must be based on legal and equitable standards, with a provisional amount sufficient to warrant the Government's acquisition of the property ahead of final compensation settlement.

### ### Class Notes:

- **Republic Act No. 8974**: This Act specifically applies to the expropriation of property needed for national government infrastructure projects, requiring the government to make an immediate payment of just compensation to the property owner before taking possession.
- **Just Compensation**: The compensation for expropriated property must be fair, valid, and determined through legal processes. It must be sufficiently established and paid out before the Government can take possession of the property being expropriated.
- **Foreign Judgments**: For a foreign judgment to affect Philippine legal proceedings, it

must be recognized through a specific legal process that verifies its authenticity and applicability according to Philippine law and public policy.

- **Legal Intervention**: Parties seeking to intervene in a case must establish a direct interest in the legal proceedings and comply with procedural requirements. Interventions post-judgment are generally not permitted unless exceptional conditions are met.

### ### Historical Background:

The expropriation of NAIA 3 by the Philippine Government is emblematic of conflicts involving massive infrastructure projects, contractual disputes, and the intersection of national interest with private rights. It underscores the complexity of expropriation proceedings, especially when involving entities with foreign legal entanglements, and highlights the Philippine legal system's mechanisms for resolving such disputes while balancing equity, national development, and international legal norms.